

DJG/2007R00139

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

UNITED STATES OF AMERICA : Criminal No. 08-469 (KSH)

v. : 18 U.S.C. § 1341 and 2,
26 U.S.C. § 7201

MICHAEL KYEREME, : INFORMATION
a/k/a "Michael Appakyeremeh"

The defendant having waived in open court prosecution by
Indictment, the United States Attorney for the District of New
Jersey charges:

Count One
(Mail Fraud)

1. At all times relevant to this Information:
 - a. Defendant MICHAEL KYEREME, a/k/a "Michael Appakyeremeh" (hereinafter "MICHAEL KYEREME") was employed by Specialty Systems, Inc. to provide information technology support to the City of Newark's computer networks through Cisco Systems, Inc. ("Cisco"). As part of his job, defendant MICHAEL KYEREME was responsible for, among other things, assisting Newark employees when computer problems arose that required technical support by a computer technician. If it was determined that

a computer-related problem could not be solved without outside assistance or a replacement part, defendant MICHAEL KYEREME was authorized to contact Cisco for technical assistance and, if necessary, to request a replacement part.

- b. The City of Newark maintained service contracts with Cisco pursuant to which Cisco was required to provide customer service for faulty parts and to replace any Cisco parts deemed to be inoperable or defective. The service contracts further entitled the City of Newark to replacement of defective or inoperable parts to ensure that the City's computer systems suffered minimal disruption in the event that a part became inoperable. This provision required Cisco to replace non-working parts upon request and, in turn, required the City of Newark to return the non-working parts to Cisco within ten days of receiving the replacement parts.

THE SCHEME TO DEFRAUD

2. From in or about August 28, 2002 to on or about March 2, 2007, in Essex County, in the District of New Jersey and elsewhere, the defendant

MICHAEL KYEREME

did knowingly and willfully devise and intend to devise a scheme and artifice to defraud Cisco and to obtain money and property from Cisco by means of materially false and fraudulent pretenses, representations, and promises, which scheme and artifice is set forth in substance below.

THE OBJECT OF THE SCHEME AND ARTIFICE TO DEFRAUD

3. The principal object of defendant MICHAEL KYEREME's scheme was to fraudulently induce Cisco to mail him replacement computer parts which he then sold to a third party, and then used all of the money he received for his own personal benefit.

THE MEANS AND METHODS OF THE SCHEME TO DEFRAUD

4. Among the means and methods used by defendant MICHAEL KYEREME to carry out his scheme to defraud were those set forth in paragraphs 5 through 7 below.

5. It was part of the scheme and artifice to defraud that defendant, MICHAEL KYEREME, using his position as a Newark employee would, request replacement parts from Cisco falsely claiming that certain Cisco parts in the City of Newark's computer system were not responding to his trouble shooting efforts and required replacement.

6. It was further part of the scheme and artifice to defraud that rather than return the broken or malfunctioning part to Cisco as was required by the contract between Cisco and the City of Newark, on many occasions the defendant, MICHAEL KYEREME,

would either return no part or a non-matching part with a significantly lower commercial value causing a loss to Cisco of approximately \$4,179,667. An example of this occurred on or about November 7, 2006, when the defendant MICHAEL KYEREME requested a replacement part for a one-port optical card, falsely claiming that the part in the City of Newark's computer system was not responding to his trouble-shooting efforts. In response, Cisco sent defendant MICHAEL KYEREME, via Federal Express, a replacement part of the exact type alleged to be inoperable -- a working one-port optical card which had a commercial value of approximately \$260,000. In order to conceal his fraudulent activity, defendant MICHAEL KYEREME returned to Cisco an eight-port adaptor worth approximately \$2,000.

7. It was further part of the scheme and artifice to defraud that the defendant, MICHAEL KYEREME, would sell many of the replacement parts that were ordered on behalf of the City of Newark to a third party, and retain the money from the sales for his own benefit.

8. On or about November 7, 2006, in Essex County, in the District of New Jersey and elsewhere, for the purpose of executing and attempting to execute this scheme and artifice to defraud discussed above, defendant

MICHAEL KYEREME

did knowingly and willfully cause to be placed in a post office and authorized depository for mail matter, a matter and thing to

be sent and delivered by the United States Postal Service and private commercial interstate carrier according to the directions thereon, to be sent and delivered by the United States Postal Service and private commercial interstate carriers according to the directions thereon, namely a Federal Express package from Cisco to defendant MICHAEL KYEREME containing a one-port optical card.

In violation of Title 18, United States Code, Sections 1341 and 2.

COUNT TWO
(Tax Evasion)

1. Paragraphs 1 and 3 of Count One of this Information are hereby realleged, as though set forth herein.

2. Between in or about January 2006 and in or about December 2006, defendant MICHAEL KYEREME:

- a. fraudulently obtained replacement parts from Cisco and sold those parts to a third party;
- b. obtained corporate checks from a third party in payment for the fraudulently obtained replacement parts;
- c. deposited the third party checks into his personal bank accounts, withdrew the proceeds and kept the cash for his own use; and
- d. fraudulently failed to disclose and report on his 2006 U.S. Individual Income Tax Return, Form 1040, the income he received from the third party checks, thereby causing his individual income tax return to understate a substantial amount of the income that he received during calendar year 2006.

3. On or about April 15, 2007, defendant MICHAEL KYEREME signed, filed and caused to be filed with the Internal Revenue Service a 2006 U.S. Individual Income Tax Return, Form 1040, on behalf of himself. The Form 1040 tax return stated that his taxable income for the calendar year 2006 was approximately

\$81,494 and that a refund in the amount of \$4,034 was due to him.


4. The Form 1040 tax return did not include approximately \$1,242,483 in additional taxable income received by defendant MICHAEL KYEREME as a result of the third party checks he received and cashed during 2006. Upon this income, an additional tax of approximately \$429,826 was due and owing to the United States.

5. On or about April 15, 2007, in the District of New Jersey, defendant.

MICHAEL KYEREME

did knowingly and wilfully attempt to evade and defeat a substantial portion of the income tax due and owing to the United States in that he signed, filed and caused to be filed a false and fraudulent 2006 U.S. Individual Income Tax Return, Form 1040, as discussed in paragraph 3 knowing it to be false and fraudulent, as discussed in paragraph 4.

In violation of Title 26, United States Code, Section 7201.


CHRISTOPHER J. CHRISTIE
United States Attorney

CASE NUMBER: 08-AG9(KSH)

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